



**State of Idaho**

**DEPARTMENT OF WATER RESOURCES**

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MARCH 20, 2012

C. L. "BUTCH" OTTER  
Governor

GARY SPACKMAN  
Interim Director

WATER DISTRICT NO. 34 ADVISORY COMMITTEE  
C/O SETH BEAL, CHAIRMAN  
2827 N 3375 W  
MOORE, ID 83255

**RE: ADVERTISING WATER SUPPLY BANK TRANSACTIONS IN BASIN 34**

Dear Advisory Committee Members:

At the 2012 Annual Meeting of Water District No. 34 (WD34), the users passed a resolution to petition the Director of the Idaho Department of Water Resources (IDWR) to advertise all Water Supply Bank (WSB or Bank) transactions that are proposed for water rights in WD34. I had agreed at the meeting that the resolution, as documented in the minutes, would suffice as the petition and that I would prepare a response after consulting with the Director. The Director has indicated that IDWR will continue the practice of notifying the WD34 Watermaster of all new Water Supply Bank transactions, and will continue to consider advertising on a case-by-case basis.

As you may be aware, the Water Supply Bank is governed by §42-1761 through §42-1766, Idaho Code, and under the Water Supply Bank Rules (also known as IDAPA 37.02.03). The purposes of the WSB are to encourage the highest beneficial use of water, provide a source of adequate water supplies to benefit new and supplemental water uses, and provide a source of funding for improving water user facilities and efficiencies. In practice, the bank is a mechanism to market water rights so the best use of the water can be made by protecting unused rights from forfeiture while making water rights available to those in need of short-term water solutions. The ability to respond quickly to provide water to those in need is an important function of the Bank.

While it is important to guard against injury and enlargement, it is equally important that the process of approving the transactions be expedient. The Bank recognizes that unforeseen impacts of transactions can occur from time to time, but the Bank also tries to prevent such consequences by sometimes requiring additional information prior to approval, such as an analysis of drawdown in nearby wells when moving a ground water right. Additionally, if unforeseen impacts occur during the rental period, the consequences can be ameliorated by rescinding the approval. In other words, the benefits of an expedient approval generally outweigh the potential for harm, especially given that the approval can be rescinded and that the lease terms are typically limited. Water Supply Bank Rule 30.02 (IDAPA 37.02.03.030.02) embodies this concept in that it provides the Director discretion in advertising rentals, but requires that notice be provided for rentals of more than 5 years.

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Although the rules provide the Director with some discretion in the decision to advertise, we are mindful of the local concern that Water Supply Bank use could result in injury or enlargement. For these reasons, IDWR will continue the practice of notifying the WD34 watermaster of WSB transactions, with the understanding that he may relate the information to the Advisory Committee and/or other members of the public as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nick Miller', written over a horizontal line.

Nick Miller  
IDWR, Water Distribution Section

c:  
WD34 Watermaster  
IDWR Eastern Region  
Monica Van Bussum, IDWR Boise

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